



**USAID**  
DEL PUEBLO DE LOS ESTADOS  
UNIDOS DE AMÉRICA

**Cadenas de Valor Rurales**

*Huehuetenango y San Marcos*



# ***RURAL VALUE CHAINS PROJECT***

***USAID – ANACAFE COOPERATIVE AGREEMENT 520-A-12-00004D***

---

## **QUARTERLY REPORT**

**April through June 2014**

**Guatemala, July 31, 2014.**

# 1. Introduction

The Rural Value Chains Project (RVCP) is a component of the Feed the Future Initiative (FtF) currently implemented under Cooperative Agreement 520-A-12-00004 subscribed on May 31, 2012 between the National Coffee Association (ANACAFE) and the United States Government Agency for International Development (USAID).

Project implementation is the responsibility of a Consortium with ANACAFE as the lead institution before USAID. In addition to ANACAFE, the Consortium includes the Guatemalan Confederation of Cooperatives (*Confederacion Guatemalteca de Federaciones de Cooperativas* – CONFECOOP) represented by the Guatemalan Federation of Agricultural Cooperatives of Coffee Producers (*Cooperativas Agricolas de Productores de Cafe de Guatemala* –FEDECOCAGUA) together with the Guatemalan Federation of Agricultural Cooperatives (*Federacion de Cooperativas Agricolas de Guatemala* – FEDECOAG) and the Integrated Federation of Handicraft Producer Cooperatives (*Federacion Integral de Cooperativas de Produccion Artesanal* -ARTEXCO); the Coffee Grower Foundation for Rural Development (*Fundacion de la Caficultura para el Desarrollo Rural* – FUNCAFE) and the FUNDASISTEMAS Foundation.

The objectives of the Project include:

- Reduce poverty and malnutrition rates throughout 21 municipalities in the provinces (*departamentos* in Spanish) of Huehuetenango and San Marcos<sup>1</sup> by improving income among small-scale producer members of the rural value chains for coffee, horticulture and handicrafts.
- Produce deep-rooted behavioral changes among producers and their families to ensure that improved income remains sustainable and ensures improved nutrition over the short, medium and long terms.

Consortium organizations joined forces to achieve RVCP objectives by implementing activities under each of the components listed below.

- I. Improved competitiveness along the rural value chains;
- II. Greater participation in rural value chains;
- III. Improved agricultural productivity;
- IV. Increased trade and access to markets (private consolidator); **Note:** Implementation of this component was excluded from the USAID-ANACAFE cooperative agreement and included under those for another project with objectives similar to those of RVCP being implemented by a second consortium throughout municipalities in Quetzaltenango, Totonicapan and Quiche;
- V. Increased productivity of food and improved usage, and
- VI. Improvements in the handicrafts value chain.

---

<sup>1</sup> Huehuetenango: Jacaltenango, Chiantla, San Sebastian Huehuetenango, Todos Santos, Santa Cruz Barrillas, Cuilco, Concepcion Huista, San Antonio Huista, La Libertad and La Democracia.

San Marcos: El Rodeo, San Rafael Pie de la Cuesta, San Lorenzo, San Pablo, Tajumulco, Nuevo Progreso, Sibinal, San Miguel Ixtahuacan, Tejutla, San Marcos and San Pedro Sacatepequez.

In addition to each of the above components, RVCP is undertaking activities across crosscutting issues, as follows.

1. gender;
2. environmental mitigation;
3. entrepreneurial development;
4. financial services;
5. communications (information), and
6. engaging with local and central governments (political dialogue).

The Project Implementation Unit (UIP in Spanish) is responsible for implementing RVCP in compliance with the terms and conditions stipulated in the Cooperative Agreement between ANACAFE and USAID. The UIP was also responsible for designing and promoting a participatory process to draft the RVCP Year Two Work Plan currently in effect for the period between October 1, 2013 and September 30, 2014.

The USAID-ANACAFE Cooperative Agreement stipulates that the Project submit three quarterly reports during each year of RVCP implementation (for the periods from October to December, January to March and April to June) together with one annual report (to cover the period from October to September of the following year). The reports must include a narrative description of activities during the period and describe progress to date toward RVCP expected results and indicator targets.

To that end, the UP drafted the current progress report to cover the third quarter of RVCP Year Two implementation (April 1 through June 30, 2014). The technical teams from ANACAFE, FEDECOCAGUA, FEDECOAG, ARTEXCO, FUNCAFE and FUNDASISTEMAS provided the UIP with input for the report.

## 2. RVCP Implementation Context

- The Project worked in San Marcos this quarter with 23 producer groups in San Pablo, San Jose El Rodeo, San Rafael Pie de la Cuesta, Tajumulco, Sibinal, Nuevo Progreso, San Miguel Ixtahuacan, Sipacapa and San Pedro Sacatepequez. Four of these groups were co-operatives, 11 were associations, two were entrepreneurial associations (ECAs in Spanish) and six were work groups (GATs in Spanish). Grower group membership totals 1,626 of which 85% (1,382) are men and the remaining 15% (244) are women. Members have a total of 2,029 *manzanas* (unit of land measurement) planted with coffee, about 1.33 *manzanas* per person. Ten of the grower groups (43%) are growing their coffee organically, are certified and are accessing specialty markets. The members of 18 of the grower groups are from the *Mam* ethnic group and members from another organization are primarily *Sipakapense*.
- ANACAFE worked in Huehuetenango over the reporting period with 30 small grower groups (two co-ops, 13 associations and 15 GATs) totalling 2,388 members to date. Of these, 1,927 are men (81%) and 461 are women (19%). Most of these producers are from the *Mam*, *Qanjolal* and *Popti* ethnic groups. Women and youth are found in board positions throughout 30% of the organizations (9). The grower groups are located in Santa Cruz Barillas, La Libertad, Cuilco, La

Democracia, San Antonio Huista, Union Cantinil, Jacaltenango, Concepcion Huista and Todos Santos Cuchumatán.

- FEDECOCAGUA worked with 28 coffee co-ops this quarter (nine in the province of San Marcos and 19 in Huehuetenango) to benefit a total of 2,750 members. Of these, 2,301 (84%) are men and the remaining 449 (16%) are women. The co-ops are growing coffee on 3,870.61 hectares, of which 661.59 hectares (17%) are organic and 3,209.02 hectares (83%) are conventional plantations. The 28 grower groups produced 8,400,000 pounds of export-quality coffee. Eighteen (64%) of the grower groups are certified through one or more organizations --Utz Certified, Rainforest Alliance, organic production (NOP USDA, EU, JAS), Starbucks C.A.F.E Practices or FLO Fair Trade.
- The members of the coffee producer groups in Huehuetenango and San Marcos working with RVCP are low-income farmers who make their living primarily from the sale of agricultural products (of which coffee represents between 80-90%). A very small percentage supplements income by providing labor on coffee plantations in the vicinity. It is well known that illiteracy rates are very high among most small-scale coffee producers. This situation further constrains their access to jobs.
- The problems stemming from the fact that most of the RVCP coffee producer groups are from low-income communities are further aggravated by the effects of coffee rust disease. The 2013-2014 crop is estimated at about 35% lower yields and an already precarious situation will be made worse by low prices on international coffee markets. As a result, the grower groups are even more vulnerable to food insecurity and more likely to migrate to other parts of Guatemala or southern Mexico in search of a livelihood.
- Of the 12 grower groups that FEDECOAG worked with this quarter under RVCP (eight co-ops and four associations), there are a total of 889 horticulture producers (264 women equivalent to 30% of the members) from 85 communities located throughout Huehuetenango (seven groups) and San Marcos (five groups). The remaining 70% of the membership are men (625). The growers plant potatoes, carrots, snow peas, sweet peas, lima beans and other vegetables. A portion of their crop is sold at local markets and another portion is sold to agro-export companies.
- During the current reporting period, ARTEXCO worked with 20 producer groups. Technicians provided training or technical assistance to a total of 369 persons (95% women). The artisans are from 30 communities throughout six municipalities in Huehuetenango and three municipalities in San Marcos.
- Public education in most communities throughout Huehuetenango and San Marcos is limited to elementary school and electricity is not yet available in 100% of the communities. About 70% of the roads in those areas are in poor condition year around –again negatively impacting transportation costs to take their goods to market or to procure agricultural supplies.

- Rainfall was heavy during the reporting period throughout the RVCP target area with a significant impact on the family and school garden plots. Furthermore, roads were significantly damaged by landslides and runoff this quarter, again hampering FUNCAFE field work.
- FUNCAFE launched food and nutritional security activities this quarter in the municipality of Santa Cruz Barillas, Huehuetenango. FUNCAFE leveraged the work carried out by ANACAFE and FEDECOCAGUA under RVCP to select the members from co-ops and associations in the area. Communities are widely scattered throughout the municipality and coffee grower groups tend to be small in numbers. As a result, FUNCAFE prioritized work in communities with at least 20-25 members that qualify for the activities on food and nutritional security. This decision was instrumental to make efficient use of limited resources and produce optimal results in the selected communities.

### 3. Obstacles and Mitigation Measures

- The presence of coffee rust disease (*Hemileia vastatrix*) in Guatemala and its spread to higher altitudes is a constant cause for concern among coffee producers. ANACAFE projections in January 2014 estimated that the disease had spread on average to 46% of coffee plantations nationwide and to about 40% of the crops in the RVCP target area. Ageing coffee plantations further complicate the effects of the disease. The economic life cycle of a plantation is estimated at about 25 years, yet close to 60% of coffee plantations in Guatemala are at least 15 years old.
- The spread of coffee rust disease posed a significant obstacle this quarter to some RVCP implementation activities, particularly those designed to increase production and provide additional income for producers along the coffee value chain.

To mitigate the effects of this obstacle, RVCP continued to work with coffee grower groups to access funds under the Trust Fund for the Guatemalan Coffee Sector, either individually or as a group. Furthermore, ANACAFE and FEDECOCAGUA technicians closely monitored the status of coffee rust disease in support of programs to eradicate the disease.

- Some of the RVCP coffee and handicraft producer groups in San Marcos and Huehuetenango speak separate languages; a fact that hampers effective communication by Project technicians. The Project has been successful in mitigating the language obstacles by calling on some of the members as interpreters.
- Some of the problems facing the Project can be attributed to the organizational maturity of producer groups. The problems include a lack of attendance at workshops organized by FUNCAFE, the incorrect use of supplies by families, non-compliance with field activities, etc. In mitigating these effects, FUNCAFE is more closely communicating with the RVCP Consortium technicians responsible for organizational strengthening to request additional support in addressing these problems.

- The lack of electrical power in many parts of the RVCP target area limits the use of technology, equipment and tools. FEDECOCAGUA addressed this by procuring generators to install in some of the co-op offices (including surge protectors).

## 4. Activities and Progress toward Results

### 4.1 General:

- RVCP scheduled its first environmental audit from June 2-6, 2014. Project technicians joined the audit team to visit eight organizations, as follows:
  - *El Esfuerzo* horticulture producers in San Pedro Sacatepequez, San Marcos;
  - *Cooperativa Entre Rios* and *Asociacion Comunidades Unidas* (coffee grower groups) in Tajumulco, San Marcos;
  - *GAT La Lima* (coffee growers) in San Miguel Ixtahuacan, San Marcos;
  - *Cooperativa Esquipulas* and *Cooperativa San Jose El Obrero* (coffee growers) in La Libertad, Huehuetenango, and
  - *Cooperativa Tajumulco* and *GAT Buenos Aires* (coffee growers) in Union Cantinil, Huehuetenango.
- FUNCAFE hired two staff members to provide technical follow up with families in Santa Cruz Barillas, Huehuetenango. In addition, technical staff from other RVCP Consortium institutions received technical support to strengthen capacity regarding food and nutritional security. The Project team also distributed educational material and began providing supplies, such as filters, seeds and stoves, to producer organizations working with FEDECOAG and ARTEXCO.
- As part of the activities covered by the MOU between RVCP and the USAID Project on Climate, Nature and Communities in Guatemala implemented by The Nature Conservancy, Project technical teams participated in a workshop on adapting to climate change April 23-25, 2014.
- RVCP technicians participated in the Second Latin American Workshop on Biologics organized by AGREQUIMA. The workshop provided team members with the knowledge base to implement the techniques among producer groups, particularly in regard to treating chemical residue.
- RVCP technicians participated in training workshops on safe use and handling of pesticides. The workshop was taught by a consultant hired by the UIP to implement activities under the Work Plan pertaining to safe pesticide use.
- ARTEXCO technicians participated in a training activity organized by FUNDASISTEMAS regarding the content under SIDEM Phase 2 (strengthening administrative management). The training included a handbook.

- FUNDASISTEMAS began working on the conceptual framework and on designing the digital platform to eventually market the products supplied by all three RVCP value chains.
- In order to increase knowledge base, exchange experiences and information plus promote greater coordination, one of the FUNDASISTEMAS facilitators implementing SIDEM participated in a regional workshop on **“Sustainable Impact”** organized jointly by Project Concern International (PCI), the Technical and Operational Performance Support Program and USAID. The event took place in Guatemala City from May 26-28, 2014.
- Project staff completed the procurement process for laboratory equipment required for soil, water and vegetable matter analysis to be installed at the facilities built by FEDECOAG in San Sebastian, San Marcos. The laboratory will serve horticulture producers throughout the western region of Guatemala.
- FEDECOAG began to coordinate efforts with Counter Part International to work together on project implementation activities. Technicians organized joint field visits to potato seed production sites in San Marcos and shared RVCP technology regarding laboratories, macro-tunnels and open field planting.

## 4.2 Components

### 4.2.1 Component 1: Improved Competitiveness along the Value Chain

- **ANACAFE (coffee value chain)**
  - **Increased Yields**  
ANACAFE technicians organized technical assistance for RVCP grower groups in drafting their agricultural management plans, with emphasis on interpreting soil analysis, fertilization and soil amendments; tissue management; shade management; integrated coffee rust disease management and soil conservation.  
  
RVCP teams working in Huehuetenango advised growers to use disease resistant plants when renewing their coffee plantation. To this end, the Project established ten nurseries using Sarchimor and Catimor varieties (250 pounds of seed donated by ANACAFE) to produce 250,000 seedlings that will be planted next season.
  - **Plantation Renewal**  
During the reporting period, a total of 574 members from 14 coffee grower groups renewed 39.6 hectares of plantations seriously damaged by coffee rust disease.  
  
Coffee seedlings of the Sarchimor variety grown at the nurseries established with RVCP assistance (using seeds donated by ANACAFE) were used to renovate 35 hectares of plantations in Huehuetenango.
  - **Improved Post-harvest Handling**

Four coffee grower groups in San Marcos (*Cooperativa Entre Rios*, *Asociacion Media Cuesta*, *Asociacion de Desarrollo Integral Buenos Aires –ADIBA-* and *Asociacion de Pequeños Caficultores Mayas Mames –APECAFORM*) participated in eight training workshops on quality control during wet mill processing and appropriate waste product management (pulp and waste water). A total of 57 growers from RVCP beneficiary organizations participated in the training.

Efforts to monitor the quality of the 2012/2013 crop included 20 coffee tasting reports for an equal number of RVCP producer groups in Huehuetenango. The reports will enable growers to note quality issues and take corrective measures.

Technicians completed diagnostic assessments on wet mill processing facilities for five RVCP grower groups in Santa Cruz Barillas, Huehuetenango.

– **Increased Income**

Over the reporting period, two organizations in San Marcos, *GAT El Cafetalito* and *Asociacion de Pequeños Productores Agricolas “Entre Cerros”*, successfully sold 100,000 pounds of coffee for revenues of GTQ700,000.00.

Four GAT groups in San Miguel Ixtahuacan (*La Lima*, *Legual*, *La Pena* and *Siete Platos*) provided a total of 14 sample lots to compete in the Cup of Excellence. The sample scored 82.05 and successfully sold on the local market at prices 29% higher than those quoted on the commodities market in New York for that date. The sale marked the first attempt at marketing coffee produced by a grower association with profits of GTQ5,213.50. The Marketing Committee for the association was approved by the general assembly to distribute the profits as follows: 25% toward capitalization, 55% distributed among the growers that contributed their coffee to the 3,000 pound lot and 20% as a bonus for those whose coffee scored higher during tasting.

In addition, *Asociacion de Pequeños Productores Agricolas “Entre Cerros”* in San Pedro Sacatepequez, San Marcos prepared a lot of 3,000 pounds of parchment coffee for the Cup of Excellence competition. The lot scored 86.23, making it eligible to compete at the international level. Furthermore, the association was selected as an ANACAFE supplier of volcanic San Marcos beans and will be used for the Guatemala regional blends sold on both domestic and international markets.

**Improved Technologies or Management Practices**

- ANACAFE technicians working in San Marcos implemented activities this quarter for RVCP grower groups working on adaptation to climate change. Activities covered the following:
- crop genetics: disease-resistant varieties;
  - soil conservation;
  - pest management (integrated management for coffee borer beetle using ethological controls), and
  - integrated coffee rust disease management.

Technicians worked with a total of 364 growers (240 men and 24 women) to implement the practices listed above on 104.89 hectares of coffee plantations.



In providing technical assistance to promote improved practices or technology, ANACAFE organized 74 training events in San Marcos, including modules for follow up on the certification courses for modern coffee production, human resources management, effective organizational management and post-harvest techniques. A total of 965 members from the 23 RVCP beneficiary organizations attended the training. Of these, 728 (75%) are men and 237 (25%) are women. Table 1 summarizes the training activities.

Furthermore, ANACAFE technical assistance to growers in Huehuetenango led to improved genetics on 36.57 hectares as a result of planting disease-resistant Sarchimor varietals. The improvement will benefit producers from nine organizations.

**TABLE 1**  
**SAN MARCOS TRAINING ACTIVITIES**

Organization	Training Events	Participants		
		Men	Women	Total
<i>GAT La Lima</i>	5	105	42	147
<i>GAT La Pena</i>	9	130	49	179
<i>GAT Legual</i>	7	64	39	103
<i>GAT Siete Platos</i>	7	42	38	80
<i>Asociacion de Caficultores y Agricultores de Sipacapa (ACAS)</i>	2	22	6	28
<i>Cooperativa Integral Agricola Nuevo Eden, R. L.</i>	5	10	8	18
<i>Asociacion Campesina Unidos Por la Paz y el Desarrollo Integral Comunitario (ACUPDIC)</i>	2	53	5	58
<i>Cooperativa Integral Agricola Nuevo Porvenir, R. L.</i>	3	33	3	36
<i>Empresa Campesina Asociativa Emanuel</i>	4	25	2	27
<i>GAT San Luis</i>	1	12	0	12
<i>GAT El Cafetalito</i>	3	15	0	15
<i>Asociacion de Pequenos Productores Entre Cerros (APAECE)</i>	3	10	0	10
<i>Empresa Campesina Asociativa Nueva Escocia</i>	5	28	3	31
<i>Asociacion de Proyectos Fronterizos (APROFRO)</i>	3	29	1	30
<i>Asociacion Civil de Pequenos Productores Agricolas Flor del Cafe</i>	2	21	7	28
<i>Asociacion de Productores de Cafe de Media Cuesta</i>	3	13	3	16
<i>Cooperativa Integral Agricola La Igualdad</i>	1	22	4	26
<i>Asociacion de Desarrollo Integral Buenos Aires</i>	3	17	4	21
<i>Asociacion de Pequenos Caficultores Organicos Mayas Mames</i>	4	26	2	28
<i>Cooperativa Integral Agricola Entre Rios</i>	2	15	5	20

<i>Asociacion Civil de Pequenos Agricultores Comunidades Unidas</i>	2	19	9	28
<i>Asociacion Civil de Pequenos Productores de Cafe Liberacion</i>	1	17	7	24
<b>Total</b>	<b>74</b>	<b>728</b>	<b>237</b>	<b>965</b>

ANACAFE provided technical assistance to 30 RVCP grower groups in Huehuetenango, including 59 field visits to draft 24 tissue management plans, 20 fertilization programs, eight shade management plans, four nursery and seedling management plans and four plans on integrated disease management for coffee rust.

The technical assistance in Huehuetenango also included field supervision, residential visits, coordination meetings and outreach meetings for a total of 45 events with participation by 528 coffee growers (86 women and 442 men) from 24 producer groups.

– **Employment Generation**

The process to renew coffee plantations in San Marcos led to 115 new jobs (103 filled by men and 12 filled by women).

▪ **FEDECOCAGUA (coffee value chain)**

– **Increased Yield**

FEDECOCAGUA worked with 28 coffee producer groups on improving yields for the 2013/2014 crop. Average yields were low for this harvest --about 2,170 pounds per hectare. Low yields are considered to be the result of the prevalence of coffee rust disease.

RVCP technicians from FEDECOCAGUA worked this quarter to provide technical assistance designed to increase next year's crop yield for the 28 beneficiary organizations (9 in San Marcos and 19 in Huehuetenango). A total of 2,750 coffee producers received assistance on the following subjects:

- soil conservation;
- shade management;
- integrated pest and disease management;
- appropriate use of chemicals for disease management;
- plantation renewal, and
- use of soil amendments, fertilization, composting and waste product management.

**Improved Technologies or Management Practices**

- Project specialists worked with 15 co-ops to draft development plans for the FLO award and the FLO Fair Trade certification.

- Technicians provided assistance to prepare employment contracts for permanent staff employed by each of the grower groups.
  - As required for the FLO award, technicians worked to obtain tax filing summary statements for 15 co-ops.
  - Technical staff completed internal inspections on compliance with fair trade criteria for *Agua Dulce*, *Nuestro Futuro* and *Pena Roja* co-ops.
  - Project staff reviewed and distributed regulations and bylaws for *Agua Dulce*, *Nuestro Futuro* and *Pena Roja* co-ops.
  - The Project reviewed and assessed accounting statements to ensure accuracy.
  - Technicians implemented handbooks and manuals on management and board procedures and operations.
- **Post-harvest Handling**  
Technicians worked on implementing industrial safety measures at wet mill facilities and promote the use of coffee waste products for composting.
- **Increased Income**
- One of the Project’s accomplishments this quarter included the fact that some of the organizations certified under Fair Trade received recognition for their productivity and quality. The recognition included a prize of US\$6.00 for every 100 pounds of green coffee exported. To wit, RVCP co-ops in Huehuetenango and San Marcos working with FEDECOCAGUA exported a total of 3,752,500 pounds of green coffee for a total prize of US\$ 221,674.00.
  - Table 2 summarizes the co-ops working under FLO certification and includes the FLO awards.
  - FEDECOCAGUA technicians worked this quarter with *Cooperativa San Jose El Obrero* to submit a loan application for GTQ 2,000,000.00 with the Trust Fund for the Guatemala Coffee Sector.
  - FEDECOCAGUA provided six co-ops with financing as summarized in Table 3.

**TABLE 2**  
**RVCP CO-OPS AND FLO AWARDS**

	Co-Op	Flo Award for Productivity and Quality
FLO CERTIFIED ORGANIC COFFEE		
1.	<i>Cooperativa San Pablo</i>	GTQ 48,240.74
2.	<i>Cooperativa 21 de Octubre</i>	GTQ 96,127.08
3.	<i>Cooperativa Comunidades Unidas</i>	GTQ 39,096.23
4.	<i>Cooperativa La Bendicion</i>	GTQ 25,223.80
5.	<i>Cooperativa La Esperancita</i>	GTQ 17,093.95
6.	<i>Cooperativa Chojzunil</i>	GTQ 47,417.43
FLO CERTIFIED COFFEE		
7.	<i>Cooperativa San Jose el Obrero</i>	GTQ 315,141.50
8.	<i>Cooperativa Tajumuco</i>	GTQ 360,076.47
9.	<i>Cooperativa San Pedro Necta</i>	GTQ 162,113.34
10.	<i>Cooperativa Todosanterita</i>	GTQ 168,936.83
11.	<i>Cooperativa El Porvenir</i>	GTQ 45,080.49
12.	<i>Cooperativa Rio Limon</i>	GTQ 7,192.67
13.	<i>Cooperativa Nuestro Futuro</i>	GTQ 163,534.83
14.	<i>Cooperativa Pena Roja</i>	GTQ 138,647.11
15.	<i>Cooperativa Hoja Blanca</i>	GTQ 95,133.00
<b>TOTAL FLO PRIZES</b>		<b>GTQ 1,729,055.47</b>

**TABLE 3**  
**FEDECOCAGUA FINANCING**

	<b>Co-op</b>	<b>Total Financing</b>
1	<i>Organizaciones Cocolense, Chojzunil y Union Coataneca</i>	GTQ 2,000,000.00
2	<i>Cooperativa Agua Dulce</i>	GTQ 300,000.00
3	<i>Cooperativa Hoja Blanca</i>	GTQ 500,000.00
4	<i>Cooperativa Pena Roja</i>	GTQ 600,000.00
5	<i>Cooperativa Nuestro Futuro</i>	GTQ 700,000.00
6	<i>Cooperativa San Jose El Obrero</i>	GTQ 500,000.00
	<b>TOTAL</b>	<b>GTQ 4,600,000.00</b>

– **Employment Generation**

A total of 580 new jobs were created as a result of RVCP implementation activities this quarter through FEDECOCAGUA. Of these, 28 (5%) were filled by women and 552 (95%) were filled y men. Formal jobs were created in the areas of fertilization (35 positions) and re-planting (43 positions). The rest of the jobs are for 92 full time workers and 410 members of the brigades or inspector positions.

– **Improved Technologies or Management Practices**

RVCP technical assistance to small scale growers from 28 organizations working with FEDECOCAGUA in San Marcos and Huehuetenango included a strong training component as summarized in Table 4.

**TABLE 4**  
**RVCP TRAINING UNDER FEDECOCAGUA**

	<b>Training Topic</b>	<b>Participants</b>
1	Responsible Use and Handling of Pesticides (for qualified members of the phyto-sanitary brigades)	303
2	GPS	17
3	Coffee rust disease controls	180
4	Use and Maintenance of Spraying Equipment	16

5	FLO Awards	180
6	Integrated Pest Management	277
7	Plantation Renewal	110
8	Soil Conservation	618
9	Using Dangerous Chemicals	107
10	Labor Conditions	115
11	Personal Protection Equipment	25
12	Soil Conservation	26
13	Internal Management Systems	12
14	Social and Environmental Policies	12
15	Coffee Plant Nutrition	8
16	Productive Tissue Management	30
17	Soil Sampling	20
18	Board Member Responsibilities and Duties	85
19	Co-operativism	120
20	Soil and Water Conservation	123
21	Environmental Mitigation Plan Training for RVCP/FEDECOCAGUA Technicians	11
22	Fair Trade Criteria ( <i>El Porvenir</i> and <i>Agua Dulce</i> co-ops)	12
23	FUNDASISTEMAS Certification Course on Governance	17
	<b>TOTAL PARTICIPANTS</b>	<b>2,424</b>

▪ **FEDECOAG (horticulture value chain)**

– **Controlled Conditions**

RVCP implementation activities include FEDECOAG promoting the use of macro-tunnels and drip irrigation systems as an experimental approach to horticulture diversification. The technology enables producers to grow crops year round, minimize production costs, improve quality and reduce the use of chemical pesticides to increase their overall income.

To that end, technicians worked this quarter to implement the use of 144 macro tunnels to benefit 60 growers. The use of macro-tunnels included a training activity of their construction, use and maintenance, including production plans with controlled conditions for tomato, bell pepper, potato and potato seed crops.

– **Crop Areas under Controlled Conditions**

FEDECOAG promoted the use of macro-tunnels to plant 1.61 hectares of tomatoes, bell peppers, potato and seed potato crops. Technicians provided technical assistance and training to ensure producers reap high quality and high yield crops.

#### **Improved Technologies or Management Practices**

- FEDECOAG provided training and technical assistance for horticulture production under controlled conditions. A total of 60 grower participated in the training on tomatoes, bell peppers, potatoes and potato seed production using macrotunnels and drip irrigation systems over 1.61 hectares.

FEDECOAG technicians also trained 48 growers from four horticulture groups on how to sample their soils prior to fertilization. To that end, the team took 48 soil samples and developed their respective fertilization plans for potato, pea and lima bean crops.

#### **Increased Income**

FEDECOAG worked with three producer groups exporting their vegetable crops. The groups in Huehuetenango (*Cooperativa Nueva Esperanza* in San Sebastian, *Cooperativa San Bartolo* in Chiantla and *Asociacion ADAT* in *Todos Santos Cuchumatan*) are currently marketing their products (snow peas, lima beans and sweet peas) through four agro-export companies (San Juan Agro Export, Grupo CEIS, SIESA and Grupo ALIAR).

As a result, the three organizations received combined total revenues of GTQ 2,880,918.29 (see Table 5). The pea crops sold for GTQ3.16/lb. and lima beans for GTQ1.65/lb to benefit a total of 454 producers (372 growing peas and 82 growing lima beans).

#### **Good Agricultural Practices (GAPs)**

FEDECOAG continued to provide training and technical assistance this quarter on the use of GAPs, as follows:

- Correct use of products to protect crops;
- Use and management of water resources;
- Use of phytosanitary products;
- Harvesting, storing, packaging and transporting;
- Record and document production;
- Crop rotation;
- Fertilizing based on soil sampling and lab tests;
- Environment;
- Traceability, and
- Safe use and handling of chemical containers.

TABLE 5

## INCOME FOR THREE HORTICULTURE PRODUCER GROUPS

Producer Group	Crop	Amount to Market (in pounds)	Sale Price (in GTQ)	Total Sales (in GTQ)
<i>Cooperativa La Nueva Esperanza</i> (San Sebastian H)	sweet peas	215,229	679,708.56	<b>840,146.22</b>
	snow peas	49,883	160,437.66	
<i>Cooperativa San Bartolo</i> (Chiantla)	snow peas	41,200	123,865.80	<b>1,314,152.57</b>
	sweet peas	360,000	1,190,286.77	
<i>Asociacion ADAT</i> (Todos Santos)	lima beans	247,810	408,886.50	<b>726,619.50</b>
	snow peas	100,549	317,733.00	
<b>TOTAL EXPORT SALES</b>				<b>2,880,918.29</b>

- **Employment Generation**  
RVCP activities this quarter led to a total of 321 new jobs in export crops (peas and lima beans) and production for the local market (potato and potato seed).
- **New Export Crop**  
This quarter, FEDECOAG technicians set up a pilot effort to produce green beans. The team is currently evaluating the financial and technical results.
- **Mid-level and Final Processing**  
In order to process their snow pea and sweet pea crops, members of Cooperativa San Bartolo in San Sebastian Huehuetenango created 60 jobs for women during peak harvest season. Processing jobs pay GTQ 0.35 per pound of sweet peas and GTQ0.50 per pound of snow peas.
- **ANACAFE, FEDECOCAGUA, FEDECOAG, ARTEXCO and FUNDASISTEMAS (Progress toward SIDEM implementation)**
  - FUNDASISTEMAS promoted the use of SIDEM among RVCP producer groups, including coordination meetings with technicians from FEDECOCAGUA, FEDECOAG, ARTEXCO and ANACAFE.
  - FUNDASISTEMAS provided follow up to develop the online diagnostic tool which is key to SIDEM implementation. Technicians also uploaded data for 12 coffee producer groups working with FEDECOCAGUA, dividing the groups into Category B (four) and Category C (eight).



- FUNDASISTEMAS joined forces with ARTEXCO to review the preliminary draft of the SIDEM handbook on strengthening administrative management and ensure that it meets the needs of the Project.
- FUNDASISTEMAS prepared the material required by FEDECOCAGUA, FEDECOAG, ARTEXCO and ANACAFE technicians to apply the Governance Handbook (SIDEM Phase 1), as follows:
  - studies program;
  - Governance Handbook;
  - five mandatory reading handouts;
  - binders to file training products, and
  - CDs containing digital versions of the above.
- FUNDASISTEMAS distributed the Governance Handbook and the studies program among 42 technicians from the consortium organizations, as follows: FEDECOCAGUA (16), ANACAFE (16), ARTEXCO (5) and FEDECOAG (4). FUNDASISTEMAS distributes the material as part of its SIDEM methodology certification process.
- FUNDASISTEMAS provided technical assistance to FEDECOAG staff to implement SIDEM with three horticulture producer groups (*Asociacion de Desarrollo Social Ixchiguanense – ADESI-* in Ixchiguan, *Grupo de Productores de Semilla de Papa La Comarca* in San Jose Ojetenam and *Asociacion de Desarrollo Integral Piedra de Fuego –ADIPI-* in Comitancillo).
- ANACAFE trained board members and associates from eight RVCP coffee producer groups in San Marcos on the SIDEM methodology. The training was designed to increase participants’ knowledge base regarding the methodology and to encourage team work to strengthen the entrepreneurial capacity within each of their organizations.

The following organizations participated in the training activity: *Asociacion Civil de Pequeños Agricultores Flor del Cafe; Asociacion de Pequeños Caficultores Comunidades Unidas (ACIPACU); Cooperativa Integral Agricola Entre Rios; Asociacion de Productores de Cafe Media Cuesta; Asociacion de Pequeños Caficultores Organicos Mayas Mames; Asociacion Nuevos Horizontes de Proyectos Fronterizos (APROFRO); Asociacion de Desarrollo Integral Buenos Aires (ADIBA); and Asociacion de Pequeños Productores de Cafe Liberacion (APECAFEL).*

- ANACAFE technicians working in San Marcos through SIDEM to strengthen entrepreneurial capacity within 23 RVCP producer groups around the following subjects:

**a) Governance:**

- support producer groups to improve their organizational structures;
- analyze and apply organizational bylaws;
- apply policies and specific regulations;

**b) Administrative Management:**

- assistance to hold general assemblies;
- evaluate work plans and budget implementation;
- assistance on accounting procedures;
- assistance to comply with tax obligations;
- assistance to draft and record minutes;
- compliance with general or organizational legislation;
- assist accountants and boards in providing accountability;
- implement and design accounting records;
- manage credit, and
- draft agreements with regulatory authorities.

**c) Collective Trade:**

- strengthen the process to gather and consolidate coffee crops;
- assistance to identify new markets, and
- strategies for collective trade.

**d) Business Stengthening:**

- Analyze lessons learned.

**e) Entrepreneurial Growth and Community Outreach:**

- support capitalization programs;
- seek financing, and
- recruit new members.

Technicians provided 70 site visits to provide the above-mentioned assistance and included an additional 16 training activities for a total of 187 members (139 men and 48 women). The training activities covered the following:

- Certification course on effective organizational management, as follows:
  - Module I:** General Principles for Organizational Effectiveness
  - Module II:** Roles and Responsibilities of Board Members
  - Module III:** Significance of Accounting in Decision Making
- Certification course on accounting, as follows:
  - Module I:** Constitutional Principles and Taxation
  - Module II:** Applicable Legislation for Co-operatives and Associations
  - Module III:** Tax Withholding, V.A.T., Stamp Taxes and Sanctions under the Tax Code
- Workshops: Technicians organized a total of seven workshops this quarter for an equal number of RVCP coffee producer groups in San Marcos to address the following issues: teamwork, the role of the board of directors, basic accounting concepts, legal and fiscal issues and business plans.
- FEDECOCAGUA worked on SIDEM implementation, as follows:
  - Technicians worked with 28 organizations to complete their self-assessments prior to implementing their SIDEM plans.

- Technicians completed the participatory diagnostics, relationship mapping and self-assessment for the Maxbal coffee producer group.
- Technicians met with 48 board members from FEDECOCAGUA coffee producers groups to present SIDEM.
- ARTEXCO made significant progress this quarter to implement SIDEM, as follows:
  - Begin implementing the Assistance Plans and make progress on the Governance Phase. The team worked with *Cooperativa La Jacaltequita*, R.L. in Jacaltenango, Huehuetenango to organize sessions to develop their mission and vision statements. The sessions included 17 members, board and community representatives.
  - Ten members (eight women and two men) from *Asociacion ADAIN* in Todos Santos Cuchumatan participated in a session to analyze their organizational bylaws.
- FEDECOAG began implementing SIDEM among five horticulture producer groups in San Marcos.

#### 4.2.2 Component 2: Broadening Participation in Value Chains

- **FUNCAFE**
- **High School Pilot Program (students or graduates specialized in coffee or horticulture production)**

FUNCAFE continued to provide technical and management support over the reporting period to the high school studies program. Support included a series of home visits to ensure that students and parents have an opportunity to discuss any pressing issues.

Unfortunately, one of the students faced serious health issues and was forced to withdraw from the program, reducing the total number of students from 24 to 23.

In addition, technicians focused efforts this quarter to find internships for the 13 students ready for supervised field work. The internships will provide students will opportunities to practice their skills and acquire additional capacity to meet the technical requirements of coffee production. Table 6 summarizes the internships.

**TABLE 6**  
**SUPERVISED INTERNSHIPS**

Item	Province	Municipality	Productive Unit	Student Interns
1	Huehuetenango	La Libertad	<i>Finca La Bolsa</i>	2
2	Quetzaltenango	El Palmar	<i>Finca Helvetia</i>	1
3	San Marcos	Malacatan	<i>Finca Mundo Nuevo</i>	1
4	San Marcos	San Pablo	<i>Finca Argentina</i>	1
5	San Marcos	El Tumbador	<i>Finca Nueva Granada</i>	1
6	Suchitepequez	San Francisco Zapotitlan	<i>Finca Las Nubes</i>	7
<b>TOTAL</b>				<b>13</b>

FUNCAFE undertook additional efforts to work with *Finca “Las Nubes”* coffee studies program to ensure successful internships. To that end, FUNCAFE donated specialized texts on coffee production so that each of the 23 scholarship students could readily access material now and in the future.

The internships will conclude later this calendar year, prior to the students graduating in November or December 2014. Project staff has been working with the school and the Ministry of Education to ensure that all the paperwork is in place.

▪ **ANACAFE (Coffee Value Chain)**

– **Partnering Producers with Savings and Loan Co-ops, Local Governments, Public Institutions, NGOs, Businesses, etc.**

In mitigating the effects of the crisis brought on by coffee rust disease, and with support from the World Food Programme, ANACAFE provided 120 families from five coffee producer groups in Nuevo Progreso, San Marcos with food supplies consisting of 10,800 pounds of rice and 2,400 pounds of beans.

The ANACAFE Organizational Strengthening team in Huehuetenango completed the following activities:

- Provide follow up for the partnership between *Cooperativa Esquipulas R.L.* and *Asociacion ASDEFLO*R by reviewing and ensuring compliance with agreements. Compliance extends to all legal aspects of partnership operations, including the financing plan and contractual systems to deliver coffee and control quality.
- To engage and envision new alliances for coffee producer groups, ANACAFE technicians provided assistance to complete agreements, discuss at general assemblies, ensure

operations at the board and/or management levels and finalize agreements among organizations.

- A partnership with *Cooperativa Esquipulas R.L.* led to financing for ASCAFCA and ADICEP in the amount of GTQ464,620.00. The funds will be used to maintain coffee plantations.

– **Individual or Collective Credit Scores**

ANACAFE technicians in Huehuetenango evaluated the credit portfolio held by *Asociacion UPC (Unidad de Pequeños Caficultores)*. The evaluation included reviewing and tabulating the information, assessing compliance with contractual obligations and payments for coffee crops. The process encompasses a total of 142 producers from Asociacion UPC and total credits in the amount of GTQ633,673.00.

– **Women and Youth in Organizational Development and Management**

ANACAFE technicians in Huehuetenango completed a gap assessment of equitable participation prior to designing training and assistance plans. Technicians are working on improving women and youth self esteem and encouraging their active participation by improving their skills and performance. As a result, 17 women currently hold board positions at nine coffee producer associations. Table 7 summarizes the results.

**TABLE 7**  
**FEMALE PARTICIPATION AT BOARD LEVEL AMONG ANACAFE COFFEE PRODUCER GROUPS IN HUEHUETENANGO**

	ORGANIZATION	FEMALE BOARD MEMBERS	POSITIONS
1	<i>GAT Buenos Aires</i>	5	president, vice president, secretary, treasurer and regular member
2	<i>ASOBAGRI</i>	1	secretary
3	<i>BITENAM</i>	2	members 1 and 2
4	<i>Cooperativa Rio Azul</i>	1	secretary
5	<i>GAT San Felipe Sajchen</i>	1	president
6	<i>GAT San Jorge</i>	1	secretary
7	<i>Cooperativa Esquipulas</i>	1	member 2
8	<i>UPC</i>	3	vice president, treasurer and member 3
9	<i>ADICEP</i>	2	secretary and member 1
<b>Total</b>		<b>17</b>	

- **FEDECOAG (Horticulture Value Chain)**

- **Individual or Collective Credit Scores**

- Members of the horticulture producer groups working with FEDECOAG that have accessed credit have managed to keep up a positive credit record.

- **Women and Youth in Organizational Development and Management**

- Over the course of the reporting period a total of 43 women were elected to board positions within ten horticulture producer groups. FEDECOAG provided training and technical assistance regarding their roles and responsibilities.

- **ARTEXCO (Handicraft Value Chain)**

- **Partnering Producers with Savings and Loan Co-ops, Local Governments, Public Institutions, NGOs, Businesses, etc.**

- To further promote the development of handicrafts, ARTEXCO followed up on the partnership reported last quarter with Oxfam to ensure that female artisans under RVCP benefit from the WISE Program (Women in Small Enterprises). ARTEXCO and the Project UIP met with the WISE Program Coordinator to further the alliance.

- **Leveraged Funds**

- Due to the lack of additional capital contributions by the members or seed capital to fund handicraft production, ARTEXCO is working to leverage funds that could support the production of new designs. As a result, RVCP producers obtained GTQ15,000.00 in working capital.

- **New Members as Project Beneficiaries**

- In order to expand RVCP coverage to a larger number of prioritized municipalities, ARTEXCO worked this quarter to continue to identify artisans. As a result, three groups comprising a total of 80 female artisans have joined the Project.

#### **4.2.3 Component 3: Improved Agricultural Productivity**

- **ANACAFE (Coffee Value Chain)**

- **Producers Invest to Renew Coffee Plantations**

- Members from 15 coffee grower groups in San Marcos invested a total of GTQ 1,455,000.00 to renew coffee plantations on 39.6 hectares using disease resistant varieties (Sarchimor, Catimor and Icatu). The grower groups include the following:

- *GAT La Pena*

- *GAT Legual*
- *GAT Siete Platos*
- *GAT La Lima*
  
- *GAT El Cafetalito*
- *ECA Enmanuel*
- *Cooperativa Nuevo Porvenir*
- *Asociacion Campesina Unidos por la Paz y el Desarrollo Integral Comunitario*
- *Asociacion Flor del Cafe*
- *Asociacion de Pequenos Caficultores Organicos Mayas-Mames*
- *Asociacion de Caficultores Media Cuesta*
- *Cooperativa Entre Rios*
- *Asociacion Nuevos Horizontes*
- *Asociacion Civil de Pequenos Caficultores Comunidades Unidas*
- *Asociacion Civil de Pequenos Productores de Cafe Liberacion*
  
- A total of 306 producers from ANACAFE organizations in Huehuetenango invested GTQ1,570,000.00 to renew plantations on 36.5 hectares (at a cost of approximately GTQ 42,934.50/hectare).
  
- **Good Agricultural Practices (GAPs)**
  - The team scheduled a total of 264 technical assistance visits to 23 coffee grower groups working with the Project in San Marcos. The assistance provided an opportunity to visit coffee plantations and nurseries, observe post-harvest processing, demonstrate methods, provide training and strengthen capacity among management and directors while also encouraging citizen participation. The team focused on promoting changes in production and post-harvest processing while also affecting change among the membership by following up on recommendations and work plan implementation.
  - The Project continued working with two community radio stations in San Miguel Ixtahuacan, San Marcos to broadcast the Coffee Radio program providing listeners with tips on coffee growing in a user friendly format. The use of GAPs is a frequent topic on the radio program.
  - Project technicians provided technical assistance for coffee growers from 18 organizations in San Marcos regarding shade management over a total of 916.4 hectares. Techniques focused on pruning down central and lateral branches to leave just two or three branches per tree. The significant pruning allows for better ventilation and inhibits disease.
  - RVCP technicians worked with growers to establish 17 nurseries to begin producing 200,000 seedlings that will be planted in the field in 2015. The nurseries are located in the 17 communities that make up the four groups in San Miguel Ixtahuacan, San Marcos. Technicians used a total of 100 pounds of seed of the Sarchimor variety and another 100 pounds of the Caturra variety for the nurseries. The seedlings will benefit 519 members from the four grower groups.

- ANACAFE technicians continued to work on the integrated coffee rust disease management program. In May, the program calls for applications of chemical or organic fungicides to limit the severity of the disease, succeeding in keeping it to levels under 5%. Growers applied fungicides over 456 hectares belonging to 557 producers from 23 coffee grower groups in San Marcos.
- GAPs implemented by RVCP grower groups in Huehuetenango include the following:
  - **Tissue Management:** pruning 227.4 hectares of coffee plants to encourage renewed growth.
  - **Fertilization:** drafting fertilization plans based on the results from soil analyses performed by 20 grower groups.
  - **Shade Management and Lumber Resources:** promoting use as fuelwood and composting twigs and leaves for fertilizer and soil amendments.
  - **Preparing Nurseries and Seedlings**
  - **Preventive and Curative Control of Coffee Rust Disease:** practices according to technical guidance provided by PERSUAP.
- **Practices to Adapt to Climate Change**  
 Project technicians worked with 13 grower groups in San Marcos to implement techniques and soil conservation methods over 13 hectares of plantings with the participation of 140 members. The methods included contour plantings, live plant barriers, ditches and crating as implemented by the following organizations:
  1. *GAT El Cafetalito*
  2. *GAT San Luis*
  3. *ECA Enmanuel*
  4. *Cooperativa Nuevo Porvenir*
  5. *Asociacion Campesina Unidos por la Paz y el Desarrollo Integral Comunitario*
  6. *ECA Nueva Escocia*
  7. *Asociacion Flor del Cafe*
  8. *Asociacion de Pequenos Caficultores Organicos Mayas-Mames*
  9. *Asociacion de Caficultores Media Cuesta*
  10. *Cooperativa Entre Rios*
  11. *Asociacion Nuevos Horizontes*
  12. *Asociacion Civil de Pequenos Caficultores Comunidades Unidas*
  13. *Asociacion Civil de Pequenos Productores de Cafe Liberacion)*

▪ **FEDECOCAGUA (Coffee Value Chain)**

– **Investment in Plantation Renewal**

Table 8 summarizes the investments by 17 grower groups to renew 49.06 hectares of coffee plantations.



**TABLE 8**  
**INVESTMENT IN PLANTATION RENEWAL**

	<b>Cooperative</b>	<b>Plantation Renewed this Quarter (in hectares)</b>	<b>Investment (in GTQ35,000.00/ha)</b>
1	<i>Cooperativa Nuevo Progreso</i>	4.80	Q168,00.00
2	<i>Cooperativa San Jose</i>	0.78	Q 27,300.00
3	<i>Cooperativa La Esperancita</i>	0.48	Q 16,800.00
4	<i>Cooperativa El Porvenir</i>	15	Q 525,000.00
5	<i>Cooperativa Rio Limon</i>	4	Q 140,000.00
6	<i>Cooperativa Axola</i>	3	Q 105,000.00
7	<i>Cooperativa Tiogal</i>	3	Q105,000.00
8	<i>Cooperativa Cocolense</i>	0.5	Q 17,500.00
9	<i>Cooperativa Nueva Union</i>	5	Q175,000.00
10	<i>Grupo Precooperativo San Jose Maxbal</i>	0.5	Q 17,500.00
11	<i>Cooperativa Chojzunil</i>	1	Q 35,000.00
12	<i>Cooperativa Coataneca</i>	1	Q 35,000.00
13	<i>Cooperativa Comunidades Unidas</i>	2	Q 70,000.00
14	<i>Cooperativa Riveras del Cabuz</i>	1.5	Q52,500.00
15	<i>Cooperativa San Pablo</i>	1.5	Q 52,500.00
16	<i>Cooperativa 21 de Octubre</i>	3	Q 105,000.00
17	<i>Cooperativa La Bendicion</i>	2	Q 70,000.00
<b>TOTAL</b>		<b>49.06</b>	<b>Q 1,717,100.00</b>

– **Technical Assistance for Producers on GAPs**

- FEDECOCAGUA provides comprehensive and cross-cutting technical assistance to members from 28 co-ops. Over this quarter however, technicians redoubled their efforts to underscore the importance of GAPs, as follows:
  - coffee rust disease management;
  - nurseries (promoting the use of grafted seedlings in San Marcos, using Robusta as a pattern);
  - plantation renewal using disease resistant varieties;
  - soil conservation using contour planting and live plant barriers for new plantations, and
  - soil analysis and results to plan fertilization programs.

– **Climate Change Adaptation**

In order to strengthen grower capacity to adapt to climate change, FEDECOCAGUA worked this quarter to promote the following activities.

- Provide technical assistance to plant live barriers in areas prone to erosion and promote reforestation to protect water sources.
- Technical assistance and support to *Cooperativa Cocolense* in drafting an environmental policy. The policy is currently under review prior to implementation.
- Implement best agricultural practices for shade management over a total of 541 hectares of coffee plantations.
- Technical assistance to install soil conservation methods over a total of 173.75 hectares of coffee plantations.

#### **4.2.4 Component 4: Increased Trade and Expanded Markets**

This Component was eliminated from the original proposal and is not covered by RVCP/ANACAFE-CONFECOOP-FUNCAFE-FUNDASISTEMAS Consortium activities.

#### **4.2.5 Component 5: Increase Food Production and Improve Food Use**

▪ **Family Garden Plots**

This quarter RVCP added a total of 965 families working within the coffee, horticulture and handicraft value chains to participate in the Project food and nutritional security program. To that end, Project technicians began training activities on food and nutritional security, including the use of family gardens.

FUNCAFE technicians scheduled visits to monitor families in the program and found that 86% (2,263 families) have established gardens and that 1,947 families are currently cultivating and growing vegetables for their own use. In addition, 1,500 families are using low pressure drip irrigation systems to ensure production throughout the dry season. Once the rainy season begins, technicians recommend that families put their irrigation systems into storage until conditions warrant their use.

Over the reporting period, FUNCAFE technicians redoubled efforts to provide training on the responsible use and management of pesticides and on how to design a family garden and start seedlings. On the latter points, technicians are working primarily with the families new to the program and to ensure that all families are fully knowledgeable.

Most of the participants in FUNCAFE training activities were women (52%). This is likely attributable to the fact that more women groups have joined the program and are interested in the subject.

■ **School Gardens**

FUNCAFE worked this quarter on food and nutritional activities with six schools in Huehuetenango to promote the use of school gardens and provide training on food and nutrition. Technicians distributed 47 improved stoves among the schools with the greatest need (prioritized according to health risks).

As a result, FUNCAFE completed health and nutritional security activities in 56 schools and strengthened capacities and skills in reading and writing (primarily among children in First and Second grade in 23 schools). In addition, FUNCAFE accessed and leveraged funding to provide 50 schools with tool kits to maintain their gardens. Table 9 summarizes the results of these activities.

■ **Training Primary School Teachers on Health and Nutrition**

FUNCAFE technicians provided training on health and nutrition for 56 schools, including 293 teachers and 6,193 students. The latter represents 75% of the total number of children enrolled at the schools participating in RVCP activities. Table 9 summarizes the communities, student body and teachers that participated in the training.

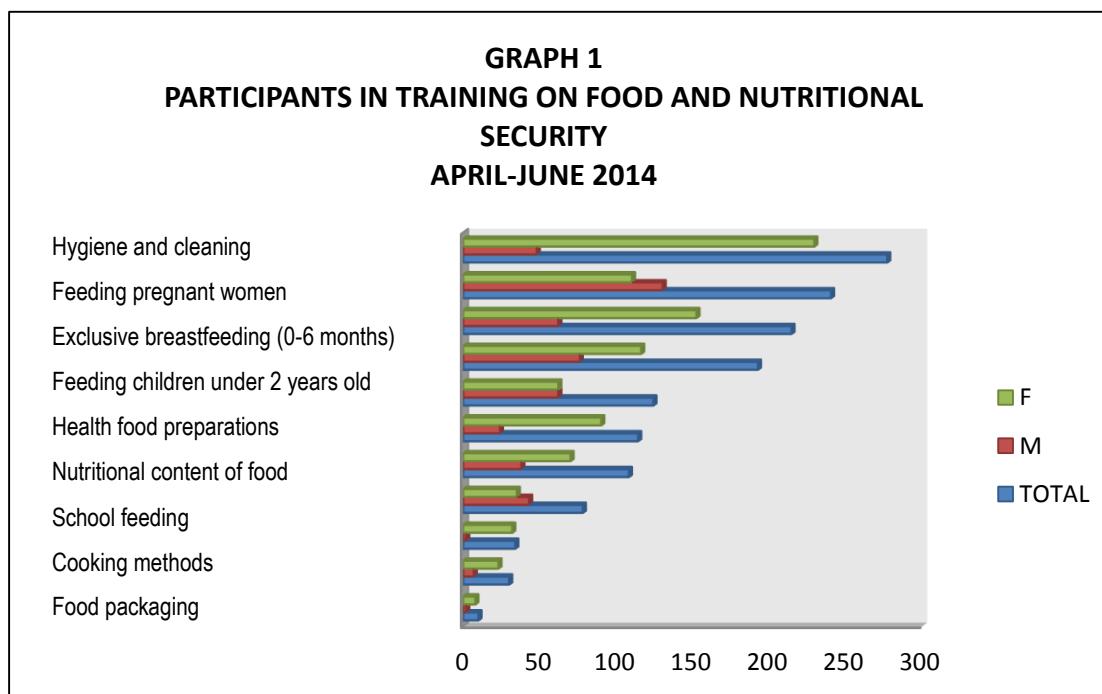
**TABLE 9**  
**RVCP SCHOOL COVERAGE**  
**APRIL-JUNE 2014 QUARTER**

	Province	Municipality	Community	Total Teachers	Participating Teachers	Total Students	Participating Students
1	Huehuetenango	La Libertad	La Cipresada	5	5	124	124
2	Huehuetenango	La Libertad	Huica	16	16	340	292
3	Huehuetenango	La Libertad	Palmira Vieja	5	5	126	126
4	Huehuetenango	La Libertad	El Aguacatillo	5	5	123	123
5	Huehuetenango	La Libertad	La Montana	13	13	404	214
6	Huehuetenango	La Libertad	El Sauce	4	4	155	133
7	Huehuetenango	Jacaltenango	Culuz Sajilaj	8	8	137	69
8	Huehuetenango	Jacaltenango	Kajxik'oma	3	3	40	40
9	Huehuetenango	Jacaltenango	Buena Vista	15	15	269	234
10	Huehuetenango	Jacaltenango	San Felipe San Andres H	23	23	587	483
11	Huehuetenango	Jacaltenango	San Andres H	22	22	595	308
12	Huehuetenango	La Democracia	San Isidro	13	13	327	191
13	Huehuetenango	La Democracia	El Pinal	7	7	214	214
14	Huehuetenango	Todos Santos	Tuiboch	6	6	129	129
15	Huehuetenango	San Antonio H	Rancho Viejo	10	10	144	86
16	Huehuetenango	San Antonio H	La Estancia Rancho Viejo	2	2	40	40
17	Huehuetenango	San Antonio H	El Pajal	11	11	272	159
18	Huehuetenango	Union Cantinil	Buenos Aires	9	9	139	90
19	Huehuetenango	Union Cantinil	Villa Nueva	2	2	43	43

20	Huehuetenango	Union Cantinil	Villa Linda	6	6	192	192
21	Huehuetenango	Union Cantinil	La Esperanza 1	5	5	121	104
22	Huehuetenango	Union Cantinil	La Esperanza	3	3	75	45
23	Huehuetenango	Concepcion Husta	Trapichitos, Santiago Petatan	4	4	84	84
24	Huehuetenango	Aguacatan	EORM, Climentoro	6	4	220	27
25	Huehuetenango	Chiantla	EORM, Santo Tomas	pending	pending	pending	pending
26	Huehuetenango	Chiantla	EORM, Canton Nuevo Progreso Quilenco	pending	pending	pending	pending
27	Huehuetenango	San Sebastian H.	EORM, Quiajola	pending	pending	pending	pending
28	Huehuetenango	Todos Santos	EORM, Aldea Chicoy	pending	pending	pending	pending
29	Huehuetenango	Todos Santos	EORM, Aldea San Martin	pending	pending	pending	pending
30	San Marcos	San Pablo	Nuevo San Carlos	16	2	386	56
31	San Marcos	San Pablo	El Matazano	13	2	220	65
32	San Marcos	San Pablo	Tojoj	7	2	200	40
33	San Marcos	San Pablo	Zelandia	11	2	345	67
34	San Marcos	San Pablo	San Pablo	19	2	465	68
35	San Marcos	San Pablo	Santo Domingo	11	2	310	54
36	San Marcos	San Pablo	Tocache	13	2	445	62
37	San Marcos	El Rodeo	La Esperanza	6	2	108	28
38	San Marcos	El Rodeo	Venezuela	2	2	50	50
39	San Marcos	San Rafael	El Naranjo	10	2	320	58
40	San Marcos	San Pablo	Instituto Nacional de Educacion Basica	9	2	270	100
41	San Marcos	San Miguel Ixtahuacan	Alen	3	3	73	73
42	San Marcos	San Miguel Ixtahuacan	Shanshegual	6	6	145	145
43	San Marcos	San Miguel Ixtahuacan	La Lima Instituto Basico	1	1	23	23
44	San Marcos	San Miguel Ixtahuacan	La Lima	3	3	66	66
45	San Marcos	San Miguel Ixtahuacan	Arenal	4	4	79	79
46	San Marcos	San Miguel Ixtahuacan	Tierra Blanca	3	3	71	71
47	San Marcos	San Miguel Ixtahuacan	La Union	3	3	105	105
48	San Marcos	San Miguel Ixtahuacan	La Pena	3	3	90	90
49	San Marcos	San Miguel Ixtahuacan	Sacpic	2	2	70	70
50	San Marcos	San Miguel Ixtahuacan	Siete Platos	7	7	150	150
51	San Marcos	San Miguel	San Jose Ixcaniche	7	7	203	203

1		Ixtahuacan					
5		San Miguel					
2	San Marcos	Ixtahuacan	San Jose Nueva Esperanza	3	3	124	124
5		San Miguel					
3	San Marcos	Ixtahuacan	Cabecera	10	10	366	366
5		San Miguel					
4	San Marcos	Ixtahuacan	Chisnan	4	4	135	135
5		San Miguel					
5	San Marcos	Ixtahuacan	Salitre	10	10	250	250
5		San Miguel					
6	San Marcos	Ixtahuacan	Cabecera	10	1	45	45
TOTALS				399	293	10014	6193

- Health and Nutrition Training for RVCP Beneficiary Families (Coffee, Horticulture and Handicrafts)**  
 FUNCAFE continued to work this quarter with families in the RVCP food and nutrition component regarding exclusive breast feeding, nutrition for children under two, nutritional value of foods, healthy recipes and preventing malnutrition. Project technicians worked with those families that joined the program in 2014 to provide workshops on hygiene and cleanliness, safe water and nutrition for pregnant and post-partum mothers. A total of 65% of the participants were women and men were the remaining 35%. Graph 1 illustrates participation at FUNCAFE training events during the April through June 2014 quarter.



Given that participation increased by 74% this quarter, technicians slowed the pace to deliver training on sexual and reproductive health. As a result of increased participation, instructors planned a number of orientation and introductory activities and are prioritizing progress on health and nutritional security. Nevertheless, Project technicians organized two activities on sexual and

reproductive health. One on STDs and HIV/AIDS and the other on maternal care during pregnancy. A total of 149 individuals participated.

▪ **Water Purification Methods**

FUNCAFE distributed 500 water purification filters this quarter to benefit 400 families and 50 schools (two per school). Table 10 summarizes the activity. Over the life of the Project, RVCP technicians have provided a total of 1,532 families with water filters. FUNCAFE technicians scheduled home visits to monitor appropriate use and found that 95% of the families are using the filters as instructed. The remaining 5% received additional instruction regarding use and maintenance.

FUNCAFE negotiated with the supplier to ensure that spare parts and replacements will be readily available within the RVCP coverage area. More than 1,000 families are currently using the filter and will need to replace the element in the near future. Some of the producer groups have organized a central order to receive replacement parts directly from the supplier.

**TABLE 10**  
**WATER FILTER DISTRIBUTION**  
**APRIL – JUNE 2014 QUARTER**

Province	Municipality	Water Filter Distribution
San Marcos	San Miguel Ixtahuacan	10
Huehuetenango	Jacaltenango	303
	La libertad	122
	Chiantla	65
<b>TOTAL</b>		<b>500</b>

**Fuel wood Efficient Stoves for Schools and Residences**

Following a rigorous screening process, FUNCAFE donated 579 improved stoves this quarter. A total of 532 stoves went to families and 47 were given to schools. Table 11 illustrates distribution of ONIL stoves and Project technicians have already noticed a marked reduction in fuel wood use. Beneficiaries report using about 66% less fuelwood, providing savings and less indoor air pollution. Families have expressed their satisfaction with RVCP assistance.

**TABLE 11**  
**IMPROVED STOVE DISTRIBUTION**  
**APRIL – JUNE 2014 QUARTER**

Location	Family Stoves	School Stoves	Total Stoves per Municipality
Jacaltenango	69	5	74
La Democracia	10	4	14
La Libertad	122	4	126
San Antonio Huista	25	3	28
Todos Santos Cuchumatan	55		55
Union Cantinil	13	6	19
<b>TOTAL HUEHUETENANGO</b>	<b>294</b>	<b>22</b>	<b>316</b>

San Marcos	Family Stoves	School Stoves	Total Stoves per Municipality
San Pablo	38	11	49
San Miguel Ixtahuacan	138	14	152
San Marcos	62		62
<b>TOTAL SAN MARCOS</b>	<b>238</b>	<b>25</b>	<b>263</b>

<b>GRAND TOTAL</b>	<b>579</b>
--------------------	------------

▪ **Community Outreach and Communication**

The Project worked this quarter to approve, print and distribute communication and outreach material. The material is designed for families participating in the food and nutritional security component and the material was also distributed to technicians from FUNCAFE, FEDECOAG and ARTEXCO that are leading educational activities on food and nutritional security.

FUNCAFE staff also furthered the effort this quarter by participating in promotional expos and fairs in San Miguel Ixtahuacan (San Marcos) and Jacaltenango (Huehuetenango). In the former, FUNCAFE participated in three expos on health issues and also provided a training event (three sessions) for middle school teachers in the community.

#### 4.2.6 Component 6: Improvements to the Handicrafts Value Chain

- **Production**

##### **PRODUCTION ASSESSMENTS**

ARTEXCO conducted a study of the handicrafts value chain to assess production by three handicraft groups. The results provided a situational analysis and findings to plan future interventions that will target emerging fashion trends and consumer preferences in domestic and international markets. In addition, the study provides ARTEXCO with information on each group as to labor costs, raw material, production times, access to supplies, sales prices, tools and the condition of production tools.

##### **MARKET STUDIES**

ARTEXCO completed market studies this period for 13 of the 20 groups participating in the Project. The studies complement the information gathered over the previous quarter on six artisan groups. ARTEXCO staff used questionnaires for the studies and will make adjustments accordingly to increase sales.

As reported last quarter, market studies also allow ARTEXCO to assess the current situation as to how the artisans actually market their handicrafts. Among the 13 groups in the market study, it was found that 95% of the artisans (162 individuals) are unable to cost out their products. As a result, they cannot determine whether or not they are making a profit on each of the products they sell. Producers are using entirely empirical methods to set their sales prices and have little certainty about what makes their production profitable or not.

Table 12 summarizes the market studies for a total of 171 artisans, 99% (170) of which are women (one man). This data is to be combined with that for the 189 artisans surveyed last quarter (184 women and five men), as summarized in Table 13.

**TABLE 12**  
**ARTEXCO MARKET STUDIES**

RVCP Market Studies					
Huehuetenango					
	Community	Municipality	Artisans		
			Women	Men	TOTAL
1	Chequequix	San Sebastian H.	12	0	12
2	Sujal	San Sebastian H.	6	0	6
3	Txejoj	San Sebastian H.	8	0	8
4	Tziplocaj	Todos Santos Cuchumatan	1	0	1
5	Pajon	Todos Santos Cuchumatan	7	0	7
6	Chalhuitz	Todos Santos Cuchumatan	8	1	9
7	Ixcunen	La Democracia	82	0	82



8	Pepilpam	Jacaltenango	4	0	4
9	Tzisbaj	Jacaltenango	7	0	7
10	Islam	Cuilco	14	0	14
11	Secheu	Concepcion Huista	3	0	3
12	Canalaj	Concepcion Huista	13	0	13
13	Petatan	Concepcion Huista	5	0	5
<b>TOTAL</b>			<b>170</b>	<b>1</b>	<b>171</b>

**TABLE 13**  
**CONSOLIDATED MARKET STUDY DATA**

RVCP Market Studies				
Summary				
Artisan Market Studies	Monthly Handicraft Production	Monthly Sales	Total Cost	Profits
171	253.03	GTQ101,946.50	GTQ138,391.29	-36,444.79

Given that the data presented is the result of subjective responses provided by the artisans themselves, Project technicians are aware of the difficulty of pinpointing actual production costs or the likelihood of selling products below cost. To address this situation, ARTEXCO plans to provide training for the artisans on costing methods and instruction on how to set a competitive sale price that will enhance their standard of living.

▪ **Entrepreneurial Development and Investment Plans**

Building on efforts from last quarter, the diagnostics and activities to draft entrepreneurial development and investment plans for each of the ARTEXCO handicraft organizations included an activity to train 28 women from Canton Norte in La Democracia, Huehuetenango. This number of training participants is in addition to the 188 participants reported last quarter.

▪ **Training on Best Productive Practices**

ARTEXCO promoted an experience exchange as part of the training to improve productive practices. The exchange took place between ARTEXCO cooperatives (COPAVIC R.L., Santa Ana R.L and San Luis R.L) and groups within the RVCP target area. Participants included a total of 36 individuals representing the following organizations:

1. *Cooperativa La Jacaltequita R.L.* in Jacaltenango, Huehuetenango;
2. *Asociacion ADAIN* in Chalhuitz, Todos Santos Cuchumatan, Huehuetenango;
3. *Grupo Tx-ejoj* in San Sebastian, Huehuetenango;
4. *Grupo Chequequix* in San Sebastian, Huehuetenango;

5. *Grupo Secheu* in Concepcion Huista, Huehuetenango;
6. *Grupo Canalaj* in Concepcion Huista, Huehuetenango;
7. *Grupo Petatan* in aldea Santiago Petatan, Concepcion Huista, Huehuetenango;
8. *Grupo Mujeres Unidas* in San Jose Ixcunen, La Democracia, Huehuetenango;
9. *Grupo Canton Norte* in Ixcunen, La Democracia, Huehuetenango;
10. *Grupo Islam* in Cuilco, Huehuetenango;
11. *Grupo Corinto* in aldea Ixmiqui, Cuilco, Huehuetenango, and
12. *Grupo Sibinal* in Sibinal, San Marcos.

The exchanges provided an opportunity for the groups to hear about other organizations' structure, production, experience, successes and team work approaches while also encouraging replication and leadership among the participants.

▪ **New Product Development**

ARTEXCO worked this quarter to design and present a new collection of handbags using textiles woven by a number of RVCP artisan groups.

To that end, technicians worked with artisans to design ten new styles of women's handbags and a computer case. The products include leather accents and textiles from Tzibaj, Jacaltenango, Todos Santos Cuchumatán, T'xejoj, Chalguitz, Tizpocaj, Todos Santos Cuchumatán and Islam. Producers made samples for each of the designs and proceeded to offer the new line on the domestic market.

As a result of showing the samples, two suppliers were selected for a trial production run:

- Supplier #1 in Quetzaltenango to produce three of the new designs,
- Supplier #2 in Guatemala City to produce eight of the new designs.

Table 14 summarizes the production this quarter as sold by *Cooperativa La Jacaltequita* (290 products) including bracelets, shawls and placemats in a variety of colors.

In addition, buyers placed a second order with *Cooperativa La Jacaltequita* (in Tzibaj, Jacaltenango) for 14 shawls.

**TABLE 14**  
**HANDICRAFT PRODUCTION SUMMARY**

Handicraft Production				
Huehuetenango				
Item	Product	Community	Municipality	Total Production
1	shawls	Tzibaj	Jacaltenango	10
2	bracelets	Chejbal	Jacaltenango	257
3	placemats	Jacaltenango	Jacaltenango	23
<b>Total Production</b>				<b>290</b>

In seeking markets for RVCP handicraft production, ARTEXCO contacted a potential buyer looking for terracota products. To that end, technicians met with a producer group in Baljetre, San Marcos to provide designs and measurements for the products sought by the buyer. The group will produce a total of 30 samples.

- **Market Access**

ARTEXCO worked over the reporting period to open domestic and international markets for the handicrafts produced by the RVCP artisan groups. Participation in fairs and expos proved an effective way to contact potential customers. The following section summarizes the effort:

- 1. APPAREL SOURCING SHOW.**

Both domestic and international companies importing and exporting textile products attend the show, including handicraft as well as industrial producers. Artisans successfully contacted companies and showcased the array of products crafted by RVCP handicraft producers. Artisans had an opportunity to receive feedback on their products and understand the issues that would strengthen their access to international handicraft markets.

- 2. National Fair: Xelaju Es**

Producer groups participated in the fair in Quetzaltenango designed for the domestic market. ARTEXCO succeeded in presenting RVCP handicrafts and received positive feedback from visitors.

To that end, RVCP worked this quarter to gather textile samples into a product catalog that would enable potential buyers to better visualize the final handicraft produced by RVCP artisans. ARTEXCO staff assembled four catalogs (three sections each) with 80 different textile samples. Technicians kept a log of potential buyers and contacts and also developed a data base with product codes, measurements, material, accessories, costs and production times.

This quarter, ARTEXCO also worked on promoting the catalogus and seeking potential clients among intermediaries. Technicians contacted potential buyers in Guatemala City and Antigua.

ARTEXCO staff contacted personnel from the embassies of the United States, Mexico, Canada, Germany and Spain regarding requirement to export handicrafts from Guatemala to their respective countries or to participate in international fairs and expos. The staff also plans to contact the chambers of commerce for each country.

- **Annual Net Income from Handicraft Sales**

The ARTEXCO team made a direct purchase this quarter of 61 articles for the catalogs described above (total amount of GTQ9,995.00). The purchase benefits RVCP handicraft groups in Huehuetenango and San Marcos.

- **Gender Considerations for Developing and Strengthening Management and Trade Skills**  
ARTEXCO organized the first conference of artisan women with the participation of representatives from Jacaltenango, Todos Santos Cuchumatán, San Sebastián Huehuetenango, La Democracia and Cuilco. The conference centered around cooperativism and its role and included activities to train women in decision-making processes and their increased role in management and leadership positions.

## 4.3 Cross-cutting Issues

### 4.3.1 Gender

- FUNCAFE focused on creating awareness and organizing educational activities to encourage increased participation by women within the RVCP food and nutritional security component. As a result of the additional effort, more women are coming forward to participate in these types of activities. Female participation currently stands at about 2-15%, depending on the subject matter, but it is important to note that men are now more cognizant of the importance of women participating in RVCP activities.
- As a result of ANACAFE assistance this quarter, 12 female members of *Cooperativa Integral Agrícola Nuevo Eden, R.L.* in San Marcos qualified for credit in the amount of GTQ86,400.00. The funds come from FONAGRO as well as from co-op capital as a means to promote equitable distribution of financial resources.
- Two members from *Cooperativa La Igualdad* in San Marcos participated in the second regional competition of coffee grafting organized by ANACAFE to encourage female participation in the coffee value chain.
- ANACAFE Region I technicians designed a template to gather data on the nuclear families of members from each of the 23 RVCP coffee producer groups in San Marcos. The data will be used to invite spouses and children to participate in activities to promote organizational development. Technicians from ANACAFE Region V (Huehuetenango) will replicate the process.
- ANACAFE technicians in Huehuetenango worked with the organizations listed below to support and assist in the process to draft an equal opportunity policy.
  - *Asociación Unión de Pequeños Caficultores* (UPC) in Aldea Camojallito, La Democracia, Huehuetenango, and
  - *Asociación de Desarrollo Integral Todos Santos* in Aldea Tuiboch, Todos Santos Cuchumatán, Huehuetenango.
- RVCP grower groups in Huehuetenango participated in two training events designed to promote equal opportunities for men and women. Table 15 summarizes the results.
- A total of 41 women participated in training events organized by FEDECOCAGUA technicians, as follows:

- four women participated in a workshop to conduct a participatory diagnostic, mapping and self-assessment for the Maxbal grower group;
  - 15 women participated in events in San Marcos to review their organizational bylaws;
  - Four women participated in an event to review the bylaws for *Cooperativa El Porvenir*;
  - 14 participants benefited from a training and exchange workshop to review the bylaws of *Cooperativa San Jose R.L.*, and
  - four women participated in an activity to review the roles and responsibilities of board members for *Cooperativa La Bendicion R.L.*
- A total of 14 women representing co-ops in Huehuetenango and San Marcos participated in FEDECOCAGUA's annual general assembly.
  - Two women participated in the decision making process to recruit a new accountant for *Cooperativa Riveras del Cabuz R.L.*
  - This quarter, ARTEXCO designed and published a planning tool for RVCP handicraft groups. The ARTEXCO Gender Committee prepared the tool, including a description of RVCP, accomplishments to date and an explanation of the ARTEXCO methodology entitled "Step by Step with Artisans."

**TABLE 15**  
**GENDER EQUALITY TRAINING ACTIVITIES BY ANACAFE IN HUEHUETENANGO**

Item	Subject	Organization	Duration (hours)	Participants		
				Women	Men	Total
1	awareness on gender equality (promoting equality among small scale producer groups)	ASOBAGRI, GAT San Jorge, GAT Blanca Flor	4	8	24	32
2	self-esteem/leadership (promoting equality among small scale producer groups)	ASOBAGRI, GAT San Jorge y GAT Blanca Flor	4	5	23	28
<b>Total Training Participants</b>			<b>8</b>	<b>13</b>	<b>47</b>	<b>60</b>

### 4.3.2 Environmental Mitigation

The RVCP team worked on environmental mitigation issues this quarter as summarized below. s:

- FUNCAFE promoted the use of fuelwood efficient stoves to benefit 482 families and 44 schools. ONIL clean stoves reduce fuelwood use by about 66%; they are environmentally friendly and beneficial to overall family health, well being and improved standard of living.
- FUNCAFE included content on recycling, reusing solid and liquid waste and appropriately disposing of hazardous materials in the workshops on environmental concerns for homes and communities.
- FUNCAFE organized educational activities on composting for family groups in each community. In addition, technicians will monitor compliance with composting in each home.
- In complying with the RVCP Environmental Mitigation Plan, ANACAFE technicians in San Marcos scheduled training activities on soil conservation with particular emphasis on shade management, crating and organic fertilization. Participants numbered 151 representing *Grupos de Amistad y Trabajo La Lima, La Pena and Legual*.
- To comply with requirements under the RVCP Safe Pesticide Use Work Plan, ANACAFE technicians in San Marcos trained 320 members from 12 coffee grower groups on adjusting and maintaining spraying equipment, on integrated pest and disease management and on the safe use and handling of pesticides.
- To complement both the RVCP Safe Pesticide Use Work Plan and the Environmental Mitigation Plan for the Coffee Value Chain, as approved by USAID, ANACAFE technicians in San Marcos organized 40 training events for 23 producer groups with the participation of 826 members (184 women and 642 men).
- The 14 coffee producer groups in San Marcos worked with ANACAFE technicians on 13 hectares to implement soil conservation techniques and structures to benefit 140 members. The techniques included the use of contour planting, live plant barriers, ditches and crating.
- ANACAFE technicians completed an environmental assessment for 30 producer groups in Huehuetenango. The findings will be used to better implement the activities under the Environmental Mitigation Plan for the Coffee Value Chain.
- In addition, the above findings will also allow ANACAFE technicians to develop a training program tailored to the needs of the coffee value chain, particularly regarding follow up, environmental monitoring, and evaluation. Technicians organized six training events for RVCP grower groups in Huehuetenango. Four of the events focused on shade management,

particularly on its importance to avoid soil erosion and to conserve biodiversity. The remaining two events focused on integrated pest and disease management and the safe pesticide use.

- ANACAFE grower groups in Huehuetenango using hand operated wet mill processing participated in activities on how to appropriately manage waste water and coffee pulp for composting and fertilization.
- FEDECOCAGUA built three centralized biobeds for use by the phytosanitary brigades working with various co-ops (*Nuestro Futuro*, *San Andres* and *Teogal*).
- FEDECOCAGUA completed construction on a regional facility in Huehuetenango for the storage of empty pesticide containers.
- FEDECOCAGUA staff provided technical assistance to plant 49.06 hectares of coffee using contouring to ensure soil conservation. In addition, technicians worked with growers to plant 124.69 hectares using terracing to avoid soil erosion.

#### **4.3.3 Financial Services**

- *Grupos de Amistad y Trabajo El Cafetalito* and *Nuevo San Luis* in San Marcos launched an accountability exercise in preparation for their general assemblies. ANACAFE technicians provided technical assistance to ensure that financial operations remain trustworthy.
- ANACAFE technicians worked with members of *Asociacion de Pequeños Productores Agrícolas Entre Cerros* (APPAECE) and *GAT Nuevo San Luis* in San Marcos to access credit in the amount of GTQ212,782.05 from the Trust Fund for the Guatemalan Coffee Sector.
- Members from four oversight committees established by coffee producer groups in San Marcos (*Cooperativa Integral Agrícola Nuevo Eden*, *Cooperativa Integral Agrícola Nuevo Porvenir*, *Asociacion de Campesinos Unidos para la Paz y el Desarrollo Integral Comunitario –ACUPDIC-* and *GAT Nuevo San Luis*) participated in a training course organized by ANACAFE on financial control procedures, including practical exercises.
- The RVCP team raised awareness among coffee producers from *Grupos de Amistad y Trabajo El Cafetalito* y *Nuevo San Luis* in San Marcos about the importance of paying their annual dues to finance their organization activities.
- Technical assistance by ANACAFE technicians to the *Asociacion de Caficultores Miguelenses* (ACMI) in San Miguel Ixtahuacan, San Marcos ensured that members continued to capitalize the organization. Capital contributions this quarter totaled GTQ280,175.75.
- RVCP technicians worked with *Asociacion Civil de Pequeños Agricultores Flor del Cafe* in San Marcos to file loan applications with the Trust Fund for the Guatemalan Coffee Sector for a total of GTQ 324,000.00 to benefit 16 members of the group.

- ANACAFE technicians worked with coffee producer groups in Huehuetenango to review a financial proposal prepared by Root Capital as an option to fund the groups and prepare the organizations to work with new financing alternatives.
- ANACAFE technicians worked with two coffee growers from *Asociacion AIDEC* in Huehuetenango to file loan applications with the Trust Fund for the Guatemalan Coffee Sector for a total of US\$ 29,559.00 in financing.
- FEDECOAG worked with four horticulture producer groups to apply for financing from FONTIERRAS. As a result, the organizations accessed GTQ298,700.00 in funding. Of this, GTQ 243,600.00 were provided in a 0% loan and the remaining GTQ55,100.00 was a grant. Table 16 summarizes the financing. Note that the FONTIERRAS funding breaks down per beneficiary to GTQ2,100.00 as a loan and GTQ 475.00 as a grant.

**TABLE 16**  
**FONTIERRAS FINANCING FOR RVCP HORTICULTURE PRODUCERS**

N°	Organization	Beneficiaries	Grant Q.	Credit Q.	Total Q.
1	Cooperativa El Paraiso	38	18,050.00	79,800.00	97,850.00
2	Asociación El Esfuerzo	13	6,175.00	27,300.00	33,475.00
3	San Pedro Unido	13	6,175.00	27,300.00	33,475.00
4	Cooperativa 10 de Abril	52	24,700.00	109,200.00	133,900.00
Total --		116	55,100.00	243,600.00	298,700.00

#### **4.3.4 Communications**

- FUNCAFE worked this quarter to complete a nutritional diagnostic in San Jose Ixcániche, in San Miguel Ixtahuacan, San Marcos. Technicians presented the results to the Municipal Committee on Food and Nutritional Committee (COMUSAN in Spanish). Technicians also shared the results, with the Nutrition Alliance (*Alianza por la Nutricion* in Spanish) –a national body promoting activities to reduce chronic malnutrition in Guatemala.
- FUNCAFE distributed educational material among 1,700 families benefitting from the RVCP component on food and nutritional security. Each family received a handbook on health and



nutritional security (covering general guidance for Guatemala), a manual on how to install family garden plots and a recipe booklet on nutritious food preparation using produce from the family gardens. The guidance is designed to help families consume a wider variety of nutritious foods.

#### **4.3.5 Coordination with Local and National Governments (Political Dialogue)**

- FUNCAFE relies on local government agencies as counterparts for planned activities and coordinates closely with central government institutions working at community level. More specifically, FUNCAFE works closely with the Secretariat for Food and Nutritional Security (Secretaria de Seguridad Alimentaria y Nutricional –SESAN) as well as with the ministries of agriculture, education and health. FUNCAFE works with the government agencies to ensure that families benefitting from the RVCP component on food and nutritional security access public services offered in San Miguel Ixtahuacan (San Marcos) and Jacaltenango (Huehuetenango).
- FUNCAFE actively participates in the social auditing process undertaken by a number of coordination bodies working with local partners to oversee quality of food and nutritional security services provided by local and central governments. The social auditing also provides findings on areas for improvement. To illustrate, social auditing produced findings this quarter regarding health services being provided in 17 of the RVCP target communities in San Miguel Ixtahuacan, San Marcos. The findings were relayed to authorities from the Ministry of Health to seek improvements as necessary.
- FUNCAFE works to strengthen community organization regarding food and nutritional security by encouraging the creation of community committees on health and nutritional security (COCOSANs in Spanish), especially in San Miguel Ixtahuacan. Technicians are also working to replicate the effort in additional municipalities within the RVCP target area.
- Members from *Asociacion de Caficultores Miguelenses* (ACMI) in San Miguel Ixtahuacan, San Marcos participated actively in a total of 11 local community development councils (COCODEs in Spanish). Members from the ACMI grower group have opportunities to participate in policy decisions as they pertain to community development. They also contribute to identifying problems and developing solutions.
- As a result of FEDECOCAGUA technical assistance, three deputy mayors participated in the process to obtain legal personhood to transition from grower groups to co-operatives (*La Coataneca, San Jose Maxbal* and *La Providencia*). Furthermore, two deputy mayors worked with community organizations to establish two co-operatives (*Union Coataneca* and *Laguna Maxbal*).

#### 4.3.6 Entrepreneurial Development

- ANACAFE technicians organized two training workshops (in San Pablo and San Miguel Ixtahuacan) for a total of 49 members from nine coffee producer groups. Participants learned about the roles and responsibilities of citizen oversight, treasury officers, budget implementation, balance statements and understanding and interpreting financial statements.
- ANACAFE technicians in San Marcos accomplished the following:
  - Three coffee producer groups (*Cooperativa Integral Agrícola Nuevo Eden*, *Cooperativa Integral Agrícola Nuevo Porvenir* and *Asociación de Campesinos Unidos para La Paz y el Desarrollo Integral Comunitario –ACUPDIC*) successfully complied with their legally-mandated tax obligations, issuing special invoices and following withholding procedures for VAT and income taxes.
  - *Empresa Campesina Asociativa Emanuel* with 38 members recently joined ANACAFE.
  - *Cooperativa Integral Agrícola Nuevo Eden* reviewed and updated their regulations on credit in compliance with legal requirements.
  - *Asociación de Campesinos Unidos Para la Paz y el Desarrollo Integral Comunitario (ACUPDIC)*, *GAT Nuevo San Luis* and *GAT El Cafetalito* drafted, reviewed and approved internal regulations on organizational activities as a means to strengthen governance within their organizations.
  - *Cooperativa Integral Agrícola Nuevo Porvenir* drafted and asked members to review their organizational structure to encourage the use of hierarchical channels and procedures.
  - *GAT El Cafetalito* and *GAT Nuevo San Luis* implemented cash flow controls to increase transparency in the use of financial resources and to promote accountability before the membership.
  - *Cooperativa Integral Agrícola Entre Ríos Responsabilidad Limitada* registered its legal representative with ANACAFE.
  - *Cooperativa Integral Agrícola Nuevo Eden*, *Asociación de Campesinos Unidos Para la Paz y el Desarrollo Integral Comunitario (ACUPDIC)*, *GAT Nuevo San Luis* and *GAT El Cafetalito* reviewed and updated their regulations on credit as legally mandated.
  - *GAT La Pena* and *GAT Legal* completed asset inventories as measures to increase accountability by their respective boards.
  - Board members and high level authorities from *Asociación de Caficultores Miguelenses (ACMI)* continued to hold special assemblies and monthly meetings to track implementation of their work plan and seek financial sustainability through membership fees. The fees ensured that ACMI capital could be invested in purchasing seed and nursery supplies at wholesale prices to resell to members. These measures contribute to increased productivity and expanded coffee plantations for ACMI members.

- Three coffee grower groups (*Asociacion Civil de Pequeños Agricultores Flor del Cafe*, *Cooperativa Integral Agrícola Entre Rios* and *Asociacion de Pequeños Productores de Cafe Liberacion –APECAFEL*) submitted legal certification of their most recent harvests to ANACAFE, as mandated by law.
- *Asociacion de Pequeños Caficultores Organicos Mayas Mames –APECAFORM* completed the process to replace registration documents within the Ministry of Government.
- Seven coffee grower groups (*Asociacion Civil de Pequeños Agricultores Flor del Cafe*, *Asociacion de Pequeños Caficultores Comunidades Unidas –ACIPACU*, *Cooperativa Integral Agrícola Entre Rios*, *Asociacion de Productores de Cafe Media Cuesta*, *Asociacion de Pequeños Caficultores Organicos Mayas Mames*, *Asociacion de Desarrollo Integral Buenos Aires (ADIBA)* and *Asociacion de Pequeños Productores de Cafe Liberacion –APECAFEL*) drafted annexes to their financial statement in compliance with international accounting standards. They took this step to correct previous versions lacking sufficient information.

The above organizations also updated their accounting software to improve processing and financial information.

- *Asociacion de Pequeños Caficultores Organicos Mayas Mames (APECAFORM)* updated their credit balances and repayments for FY2013 and also set up a digital platform to track new loans and repayment schedules.
- Table 17 summarizes ANACAFE’s activities in Huehuetenango to offer two certification courses to strengthen entrepreneurial development within grower organizations.

**TABLE 17**  
**ANACAFE CERTIFICATION COURSES TO STRENGTHEN ENTREPRENEURIAL DEVELOPMENT**

	Certification Course	Participating Organizations	Location	Participants		
				Women	Men	Total
1	Increased Productivity and Competitive Entrepreneurial Quality	<i>ASOBAGRI, GAT San Jorge, GAT Blanca Flor,</i>	Barillas, Huehuetenango	8	24	32

2	Learning Facilitators	<i>Cooperativa Esquipulas, ASDEFLO, ASOCUC, AIDEC, ADICEP, UPC, BITENAM, GAT Buenos Aires and ADESC</i>	La Democracia, Huehuetenango	17	8	25
	<b>Total Participants</b>			<b>25</b>	<b>32</b>	<b>57</b>

- FEDECOCAGUA implemented the following activities this quarter to promote entrepreneurial development within coffee producer groups:
  - eight workshops to discuss bylaws for the following co-ops: *Riveras del Cabuz, San Pablo, El Porvenir, San Jose, Comunidades Unidas, 21 de Octubre, La Bendicion* and *San Jose*. A total of 198 members participated in the workshops;
  - training on management issues for 17 authorities from *Cooperativa La Bendicion*;
  - review process of the mission and vision statements from *La Bendicion* and *San Pablo*;
  - discuss and training authorities and employees from six co-ops in San Marcos on organizational values;
  - review accounting records for the following co-ops: *San Pablo, La Bendicion, 21 de Octubre, San Jose* and *Nuevo Progreso* (the records are now up to date as of May 31, 2014);
  - modifications to by-laws and corresponding legal procedures within two co-ops, and
  - review meeting minutes and records for the board of directors, the management council, the oversight council and the credit committee within *Cooperativa San Pablo*.
  
- In working to strengthen entrepreneurial development within 12 horticulture producer groups in San Marcos and Huehuetenango, FEDECOAG technical staff provided training and assistance regarding organizational, management, accounting, financial and legal and tax issues to managers, staff and board members, as follows:
  - cash flow and asset statements;
  - management responsibilities;
  - by-law modifications;
  - fixed asset inventories;
  - responding to audit recommendations (by INGELOOP and IVE);
  - drafting credit policy and regulations;
  - updating internal controls on disbursements and income;
  - work plan to comply with IVE audit recommendations (*Cooperativa 10 de Abril*);
  - updating records on legal representatives and other requirements mandated by the Office of the Comptroller General;

- compliance with legislation on money laundering;
- compliance with tax requirements (ISR, IVA, IPF), and
- review of the credit portfolio and repayment plans (*Asociacion ADIS, Cooperativa San Pedro Unido, Cooperativa El Paraiso and Cooperativa 10 de Abril*).

## **5 Coordination, Cooperation and Exchange Mechanisms with other Institutions Working on Feed the Future (FtF)**

- The UIP continued participating within the inter-institutional platform for cooperation and coordination established by the National Agricultural Development Council (*Consejo Nacional de Desarrollo Agropecuario -CONADEA*) at the Ministry of Agriculture as an “opportunity for dialogue, coordination, cooperation and activities among a variety of technical cooperation efforts based on a value chains approach to promote rural development, with an initial effort using potato crops to improve competitiveness.”

As reported previously, the UIP is signatory to a technical cooperation agreement signed on January 21, 2014 for the multiple alliance platform on technical cooperation and inter-agency coordination to support the potato crop value chain.

- RVCP also continued participating on both the USAID central, as well as the provincial, committees for Huehuetenango and San Marcos. USAID established the committees as coordination and information exchange opportunities for the projects being implemented under Feed the Future (FtF).
- FUNCAFE continued its active participation in the Nutrition Alliance resulting in cooperative agreements with USAID partners also working within the RVCP target area for food and nutritional security. USAID established the community of El Zapote, in San Miguel Ixtahuacan, San Marcos, as a pilot area to track activities and results under the Alliance. The partners include NutriSalud, under the FtF Initiative, and FUNCAFE has frequent meetings and exchanges to coordinate implementation.

**ANNEX 1: COOPERATIVE AGREEMENT # AID- 520-A-12-00004 ANACAFE - USAID  
RURAL VALUE CHAINS PROJECT FY 2014 THIRD QUARTERLY (APRIL – JUNE 2014) REPORT  
RESULTS ACHIEVED ON INDICATORS DURING THE QUARTER**

<b>No. (USAID)</b>	<b>Indicator Title</b>	<b>Disaggregation</b>	<b>Results achieved this Quarter</b>
<b>4.5-2</b>	<b>Number of jobs attributed to FtF implementation: Total (all rural)(*)</b>		4,029
		Males	1,018
		Females	3,011
<b>4.5-4</b>	<b>Gross margin per hectare of selected products (US\$)</b>		
		<b>Coffee</b>	541
		<b>Horticulture</b>	1,951
<b>4.5.2-2</b>	<b>Number of hectares under improved technologies or management practices.</b>		
		Crop genetics	126
		Pest Management	83
		Disease management	1,028
		Soil-related	747
		Irrigation	2

No. (USAID)	Indicator Title	Disaggregation	Results achieved this Quarter
		Water management	2
		Climate mitigation or adaptation	1,455
		Other	227
		Total with one or more improved technology	1,179
4.5.2-5	Number of farmers and others who have applied new technologies or management practices as a result of USG assistance		767
4.5.2-7	Number of individuals who have received USG supported agricultural or food security short-term training		2,971
		Producers	2,971
		Technicians	
		Male	2,044
		Female	927
4.5.2-11	Number of private enterprises, producer organizations, water user associations, women's organizations, trade and business associations, and community-based organizations		113

No. (USAID)	Indicator Title	Disaggregation	Results achieved this Quarter
	receiving assistance		
		Producer organizations	90
		Women's organizations	23
Comments: producer organizations with predominant female membership (over 50%) are counted as women's organizations.			
4.5.2-12	Number of public-private partnerships formed		--
Comments: there were no partnerships formalized during this quarter; however, several are under negotiation.			
4.5.2-13	Number of rural households benefiting directly from USG interventions - cumulative		7,783
4.5.2-38	Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation		\$1,500,315
Comments: this amount corresponds to capital investments made by producers during this quarter.			
4.5.2-39	Number of technologies or management practices in one of the phases of development  Phase III: made available for transfer as a result of USG assistance		10
Comments: The Project objectives do not include research or development of technologies or management practices; however, it is transferring already proven technologies and management practices. The package of technologies or management practices being transferred are organized under 10 categories: 1) genetics, 2) density, 3) renovation, 4) soil conservation, 5) shade management, 6) soil amendments and fertilization, 7) integrated pest management, 8) farm management, 9) product quality control, and 10) environmental sustainability.			



No. (USAID)	Indicator Title	Disaggregation	Results achieved this Quarter
4.5.2-42	Number of private enterprises, producer organizations, water user associations, women's groups, trade and business associations and community-based organizations (CBOs) that applied new technologies or management practices as a result of USG assistance		68
		Producer Organizations	68
4.8.2-8	Number of Climate Mitigation and/or adaptation tools, technologies, and methodologies developed, tested and/or adopted as a result of USG assistance		6
Comments: activities counted under this indicator are: • Soil conservation practices, • Use of resistant varieties, • Composting practices, •production of trees for firewood, • Water reuse and recirculation, and • Integrated pest management practices.			
4.5.2-23	Value of total sales (US\$)		
		Coffee	7,853,436
		Horticulture	887,671
4.5.2-30	Number of MSMEs, including farmers, receiving USG assistance to access bank loans		
		Producers	693
4.5.2-36	Value of exports		
		Coffee	7,853,436

No. (USAID)	Indicator Title	Disaggregation	Results achieved this Quarter
		<b>Horticulture</b>	417,271
<b>3.1.9-1</b>	<b>Number of participants trained in child health and nutrition</b>		4,417
		Male	1,833
		Female	2,584
<b>3.1.9-15</b>	<b>Number of children under five reached by nutrition programs – cumulative</b>		1,399
		Male	709
		Female	690
<b>4.5.2-14</b>	<b>Number of vulnerable households benefiting</b>		7,783
Comments: all the households receiving assistance from the Project are considered vulnerable because they are rural households, located in areas prone to natural disasters, with low incomes, with a majority of indigenous population and affected by high rates of chronic malnutrition.			
<b>4.6.2-9</b>	<b>Number of private sector firms that have improved management practices as a result of USG assistance</b>		68
<b>4.6.2-10</b>	<b>Number of firms receiving USG assistance to invest in improved technologies</b>		68
<b>GNDR-2</b>	<b>Proportion of female participants in USG assisted program designed to increase access to productive economic resources (assets, credit, income or employment)</b>		24%

No. (USAID)	Indicator Title	Disaggregation	Results achieved this Quarter
		No. Females in coffee	1,226
		% Female farmers in Coffee	19%
		No. Females in Horticulture	264
		% Female farmers in Horticulture	30%
		No. Females in Handicrafts	1,015
		% Artisan Females	99%
		Total Female Producers	2,505
		Total Producers	8,433

## **ANNEX 2**

### **TRAINET CERTIFICATION**

There are no training activities that meet the TRAINET criteria (16 or more hours) to report during the third quarter of RVCP implementation (FY2014 from April to June).